

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 12, 2008
POSITION: Oppose
SPONSOR: Author

BILL NUMBER: AB 2763
AUTHOR: J. Laird

BILL SUMMARY: Invasive Pests: Advance Planning: Assessments

This bill would require the California Department of Food and Agriculture (CDFA) to develop and maintain a list of invasive animals, plants, insects, and diseases likely to enter the state. This bill would require the CDFA, based on available funding, to develop and maintain a written assessment of appropriate options for eradication, control, or management of high priority invasives in consultation with the United States Department of Agriculture (USDA), the University of California, and others in the scientific community. It would require the CDFA to include specific information in the assessment, prepared in consultation with other departments, if the use of pesticides is among the list of appropriate options. The bill would require the CDFA to hold public hearings in developing the assessment and require that the assessment be made public. Various notification requirements are also included in this bill.

FISCAL SUMMARY

The CDFA did not identify a cost associated with developing and maintaining a list of invasives, which would be required regardless of available funding. We estimate that this activity would result in additional General Fund costs. The CDFA indicates that the requirements to develop and maintain the assessment would place an additional and substantive workload on the department. To begin the development of an assessment, the CDFA estimates the cost to be at least \$2 million. This bill would require such an assessment be based on available funding and would require the CDFA to seek federal funds for implementation. While the bill states that federal funds should be sought, the department does not currently have federal funds for this purpose.

To the extent that state funds are used, only the Department of Agriculture Account in the Agriculture Fund at the CDFA may be used. The Agriculture Fund collects funds from various segments of the agriculture industry and is committed for specific purposes based on those collections. The CDFA indicates that there is no authority to divert funds from these accounts for the purposes of this bill because it is not related to industries that pay into the fund. Should these funds be used for this purpose they would need to be appropriated in the annual Budget Act.

Additional costs for other departments related to the requirements in this bill are estimated at nearly \$4 million. It is unclear at this time exactly how much of these costs would be one-time versus ongoing. These costs would be reimbursed by the CDFA.

COMMENTS

The Department of Finance is opposed to this bill because it would require the CDFA to seek out federal funds for implementation, which, if not available, would result in pressure on the General Fund.

This bill is unnecessary because it is duplicative of an existing federal program. The USDA already maintains a list of federally regulated invasive species and prepares its own risk assessments for pests. It is unlikely that the federal government would provide funding for "state level" pests that are not of federal concern.

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Analyst/Principal (0221) R. Baker	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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J. Laird

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ANALYSIS**A. Programmatic Analysis**

This bill defines "invasive" to mean animals, plants, insects, and diseases where introduction into California would or would likely cause economic or environmental harm. "Invasive" does not include agricultural crops, horticultural crops, livestock, or poultry generally recognized by CDFA or the USDA as suitable to be grown or raised in the United States.

This bill would require the CDFA to develop and maintain a list of invasives that have a reasonable likelihood of entering the state. In developing this list, the CDFA must consider invasives already identified by the USDA for which eradication, control, or management action might be undertaken by the federal government if the state did not act. Based on available funding, the CDFA must develop and maintain a written assessment of appropriate options for eradication, control, or management of high priority invasives in consultation with the USDA, the University of California, and others in the scientific community. The CDFA would be allowed to contract with these entities for research purposes. According to the CDFA, the USDA already maintains a list of federally regulated invasive species and prepares its own risk assessments for pests. It is unlikely that the federal government would provide funding for "state level" pests that are not of federal concern.

If the CDFA determines the use of pesticides is among the list of appropriate options, the assessment must contain specific information, prepared in consultation with the State Department of Public Health, the Department of Fish and Game, the Office of Environmental Health Hazard Assessment, and the Department of Pesticide Regulation.

This bill would require the CDFA to hold public hearings in developing the assessment and require that the assessment be made public. Various notification requirements are also included in this bill.

B. Fiscal Analysis

The CDFA indicates that the requirements to develop and maintain the assessment would place an additional and substantive workload on the department. To begin the development of an assessment (risk analysis), the CDFA estimates the cost to be at least \$2 million. This bill would require such an assessment be based on available funding and would require the CDFA to seek federal funds for implementation. While the bill states that federal funds should be sought, the department does not currently have federal funds for this purpose.

Additional costs for other departments related to the requirements in this bill are estimated at nearly \$4 million. It is unclear at this time exactly how much of these costs would be one-time versus ongoing. These costs would be reimbursed by the CDFA. To the extent that state funds are used, only the Department of Agriculture Account in the Agriculture Fund of the CDFA may be used. The Agriculture Fund collects funds from various segments of the agriculture industry and is committed for specific purposes based on those collections. The CDFA indicates that there is no authority to divert funds from these accounts for the purposes of this bill because it is not related to industries that pay into the fund.

The CDFA estimates costs for each public hearing to develop assessments would be \$5,000.

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ANALYSIS (continued)

B. Fiscal Analysis (continued)

The Department of Public Health estimates their costs related to assembling a multidisciplinary team to prepare an assessment in their area of expertise, which would include determining risk and public health significance of eradication measures involving aerial application of pesticides, would be approximately \$1 million. There would also be ongoing, un-absorbable costs in the out-years to update the assessment and to carry out its recommendations. These costs are unknown at this time.

The Department of Fish and Game estimates their costs to develop assessments would be approximately \$150,000 per year. Assessments would need to be written for hundreds of species of plants, animals, and insects creating substantial new workload.

The Office of Environmental Health Hazard Assessment estimates their costs related to the requirements of this bill would be approximately \$1 million.

The Department of Pesticide Regulation has indicated that at this time, the fiscal impact to their department is difficult to quantify. However, given the likelihood that pesticides would be among the appropriate options for eradication or control of potential invasive pests that are identified, additional resource needs can be estimated at approximately \$1.4 million beginning in 2009-10.

The Department of Boating and Waterways has also identified workload associated with the requirements of this bill, which amount to \$85,000. Other Resources Agency departments may be impacted by this bill once the requirements are more clearly understood. This could create additional unknown costs to the state.

		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Code
8570/Food & Ag	SO	No		--	C	\$6,000	C	\$6,000	0890
4265/PublicHealth	SO	No		-----	See Fiscal Analysis	-----			0995
3600/Dept FishGam	SO	No		-----	See Fiscal Analysis	-----			0995
3980/EnvirHlthHaz	SO	No		-----	See Fiscal Analysis	-----			0995
3930/PesticideReg	SO	No		-----	See Fiscal Analysis	-----			0995
3680/Boat & Water	SO	No		-----	See Fiscal Analysis	-----			0995
<u>Fund Code</u>	<u>Title</u>								
0890	Trust Fund, Federal								
0995	Reimbursements								